

25 April, 2014

Area Team Reference 01566

To:

Area Team Heads of Primary Care

Cc:

Area Team Directors  
Area Team Directors of Commissioning  
Area Team Directors of Finance

Dear Colleagues,

### **Adjustment to PMS practices 2013/14 QOF Achievement Payments (Clarification)**

This letter is a clarification of the letter<sup>1</sup> published 4 April, 2014 to update and revise the manual adjustment notified to area teams that will need to be made to calculate the correct payments due to PMS practices for 2013/14 Quality and Outcomes Framework (QOF) achievement.

#### What is the adjustment?

The value of the QOF PMS Points Deduction for a PMS practice is to be calculated as:

- £2.22 x actual (unweighted) number of patients at 1 January, 2014.

The previous letter calculated this deduction using weighted number of patients, which was chosen to ensure consistency with the PMS uplift calculation for 2014/15. However, this approach is now revised as above to use actual list size, following helpful advice from area teams on ensuring continuing consistency with the 2013/14 QOF calculation of achievement.

Area Teams should now ensure that 2013/14 QOF achievement payments for a PMS practice are reduced by the amount from the calculation above, rather than the amount that will be calculated under the Calculating Quality Reporting Service (CQRS)(see below) - by ensuring a further adjustment (deduction) is made.

#### When does the adjustment need to be made?

This adjustment only needs to be factored into the calculation of 2013/14 QOF achievement payments as the QOF PMS Points Deduction will not apply from

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<sup>1</sup> Area Team Reference number 01457

2014/15<sup>2</sup> onwards.

Why is this adjustment needed?

The adjustment is needed to ensure the QOF PMS Points Deduction is made at the correct value. This is because the current calculation does not take account of April 2013 changes to the Statement of Financial Entitlements (SFE) and in doing so it undervalues the cost of the deduction that needs to be made.

The QOF PMS Points Deduction was fixed in 2004 at a price of £13,050 for an average practice (list size of 5,891). This equates to £2.22 price per patient (£13,050/5,891).

Until April 2013 the SFE fixed the average list size at 5,891. This meant that, as the list sizes of PMS practices increased, so did the QOF PMS Points Deduction.

However, the SFE was amended last year so that, from April 2013, the Contractor Population Index (CPI) (para 2.18) is updated each year to reflect the actual national average list size. Average list size has increased since 2004. So, if the QOF PMS Points Deduction were now calculated by reference to the CPI (as per CQRS), a practice of 6,200 patients would have its deduction calculated as  $£13,050 \times 6,200/6,911^3 = £11,707$ .

The required deduction should have been £13,764 (£2.22 x 6,200). So in this example, the further adjustment (deduction) area teams would need to make is £2,028. If the adjustment was not made, there would be an unintended cost pressure on area teams.

Due to competing priorities, it has not been possible to update the QOF PMS Points Deduction on CQRS and so adjustments will need to be made manually (off system from CQRS).

When is the adjustment not needed?

Where the PMS baseline of a PMS practice has already been adjusted to reflect the QOF PMS Points Deduction, then this adjustment should not be applied.

Should you have any further queries please contact:

[England.primarycareops@nhs.net](mailto:England.primarycareops@nhs.net)

Yours sincerely



**DR DAVID GEDDES**  
**Head of Primary Care Commissioning**

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<sup>2</sup> [Implementing the 2014/15 GP contract: NHS England changes to Personal Medical Services and Alternative Provider Medical Services contracts, March 2015](#)

<sup>3</sup> The figure of 6,911 is the national average list size for England as at 1 January, 2013 in line with the SFE methodology for calculating Contractor Population Index. This is corrected from the letter of 4 April which incorrectly reported a figure of 7,084.